

TAX LIEN TRANSFER BY COUNTIES AND OTHER  
POLITICAL SUBDIVISIONS AUTHORIZED.

S. B. No. 4.]

CHAPTER 98.

An Act providing for the transfer of the lien for taxes that the State, county or defined subdivision thereof, has upon any real property; providing by whom and under what conditions such transfer may be made; providing for the recording of such transfer, and the effect of such record; providing for paying by lienholder to person paying such taxes, the taxes, cost, and interest, and receiving transfer to himself of the tax lien; providing for foreclosure of lien and sale and disposition of proceeds of sale; providing for redemptions from foreclosure sale; providing this Act shall not abridge the right of taxpayer to enter into contract with lienholders for payment of taxes, nor affect existing contracts; providing that if any provision of this Act is declared invalid or unconstitutional it shall not affect any other provision of this Act; and declaring an emergency.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. The duly qualified and acting officer authorized to collect ad valorem taxes for the State of Texas, any county thereof, any special school district, school district, road district, levee improvement district, water improvement district, water control and improvement district, irrigation district, incorporated city or town, and any other defined subdivision of the State, is hereby authorized and empowered and it shall be his duty to transfer and convey to any person or company that pays to the State, county or any subdivision thereof mentioned hereinbefore, any taxes due upon real property at the request of the owner of said property, the tax lien held by such State, county or subdivision to secure the payment of such taxes, under the conditions hereinafter provided and not otherwise.

SEC. 2. If any person or company or corporation owning real estate in the State of Texas upon which taxes due to the State, county of any subdivision thereof, as named in Section 1 of this Act, are due and unpaid, shall deliver to the tax collector, whose duty under the laws of the State of Texas is to receive or collect said taxes, a duly executed written instrument authorizing another person, company or corporation to pay such taxes and to receive from such tax collector the tax receipt showing the payment of such taxes by such other person or company and describing therein the property upon which such taxes are due, and requesting therein that such tax collector, upon the payment of such taxes, issue to such person or company so paying the same a tax receipt; and further authorizing such tax collector to transfer the tax lien held by the State, county or other subdivision to the person, company or corporation so paying such taxes, said tax collector shall, upon the payment of such taxes, as in such instrument requested and authorized, issue to such person, firm or corporation so paying said taxes, tax receipt in due form showing said payment by said person, firm or corporation, and shall endorse upon said written

instrument so presented to him substantially the following:

"I, Tax Collector of \_\_\_\_\_ do hereby certify that \_\_\_\_\_ has paid the taxes in this instrument specified to be paid, and that I have, under the authority vested in me, and do by this certificate transfer and convey to \_\_\_\_\_ the tax lien that the \_\_\_\_\_ holds upon said property by virtue of the assessment and levy of said taxes against said property.

"Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_,"

That such tax collector shall attach to said certificate his seal of office.

SEC. 3. After the payment of such taxes under such written authority and the endorsement upon such written instrument of the tax collector's certificate as hereinbefore shown, the person, company or corporation paying said taxes shall thereafter become vested with and hold such tax lien against such property as fully and to all intents and purposes as such State, county or subdivision theretofore held the same.

SEC. 4. Such written request and certificate thereon shall, upon presentation to the County Clerk for the recording thereof, and payment of recording fee, be filed and recorded in the Deed Records of the county, or counties, in which said real estate is situated, and thereafter shall be a public record the same as if said instrument were a deed.

SEC. 5. It shall be unlawful for any person or company paying such taxes and taking such lien to charge a greater amount of interest upon the taxes, or taxes, penalty and interest and costs paid, than eight (8%) per cent per annum, and the collecting of any greater rate of interest shall be deemed usury, for which the person paying the same shall have all the rights and remedies provided in the Statutes in the case of usury.

SEC. 6. No foreclosure by the person or company taking said lien shall be had thereon within any period less than twelve months from the date of the payment of such taxes.

SEC. 7. In any case where another person, firm or corporation holds a superior vendor's lien, superior deed of trust lien or other superior contract lien upon property upon which the owner seeks to have some other person or company pay the taxes and take the tax lien against the same, he shall first secure the written consent of the person, firm or corporation holding such superior vendor's lien, superior deed of trust lien or superior contract lien. That in the event some other person, after securing such written consent, pays the taxes and takes the tax lien upon such property then the owner and holder of any prior lien shall have the right at any time after six months from date payment of the taxes and before the foreclosure of such tax lien to pay to the holder of such lien the amount that he has paid for the same, together with the interest accrued

thereon according to his contract with the owner at whose instance he paid such taxes, plus the expenses of recording the tax lien and thereby become subrogated to all rights as to such tax lien.

SEC. 8. At any time after twelve months from the date of filing the transfer of the lien with the County Clerk showing the payment of the taxes to the State, county or other subdivision as hereinbefore provided, and in accordance with the contract or agreement made between the owner of such property and the person or company making the payment of the taxes (penalty, interest and cost) as to the time when such tax lien may be sued upon and foreclosed, the holder of said tax lien may sue upon his debt and for foreclosure of his tax lien and sale of the property thereunder; that upon a sale thereof the proceeds of such sale shall be applied first to the payment of court costs, and then upon the judgment including accrued interest, and attorney's fees not exceeding ten (10%) per cent as may be fixed in the judgment, and if there be a balance thereafter left, the same shall be paid first to the lien holders in the order of their priority, and any balance remaining to the owner of said property.

SEC. 9. The owner of such property or any person, firm or corporation holding a first lien against said property may within a year after the foreclosure and sale of such property, under such tax lien, redeem the same from the purchaser at such sale by paying to such purchaser all that he has paid for such property at such sale provided that the amount so paid to redeem said property shall not exceed the amount of the judgment of foreclosure, costs and interest accrued upon said judgment to the date of redemption therefor plus ten (10%) per cent additional upon the amount of said judgment; and upon such redemption shall receive from the person to whom the payment is made a deed to such property; provided, if the owner of the property redeem the same under this section of this Act, then all liens existing at the time of the foreclosure sale under this Act shall be of the same force and effect as if no such foreclosure sale and redemption therefrom had been had.

SEC. 10. This Act shall not abridge the rights of any taxpayer to enter into any contract he may desire with a lienholder for the payment of taxes; and shall not be construed to affect any such existing contract.

SEC. 11. If any provision, section, part, subsection, sentence, clause, phrase or paragraph of this Act be declared invalid or unconstitutional, the same shall not affect any other portion or provision hereof, and all other provisions shall remain valid and unaffected.

SEC. 12. The fact that many owners of real property in Texas are unable to pay the ad valorem taxes on their property, but can get their taxes paid under the provisions of this bill, if the same becomes a law, and can thereby save their property

from sale for delinquent taxes, creates an emergency and an imperative public necessity requiring the suspension of the Constitutional Rule requiring bills be read on three several days in each House, and said Rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

[NOTE.—S. B. No. 4 passed the Senate September 26, 1933, by a vote of 28 yeas, 1 nay; Senate concurred in House amendment October 11, 1933, by a viva voce vote; passed the House, with amendment, October 11, 1933, by a viva voce vote.]

Approved October 26, 1933.  
Effective 90 days after adjournment.

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GIFTS AND DONATIONS TO REHABILITATION DIVISION  
TO BE DEPOSITED WITH STATE TREASURER.

S. B. No. 35.]                      CHAPTER 99.

An Act amending Senate Bill No. 86, Acts of the First Called Session of the Forty-first Legislature by authorizing the receiving of gifts and donations for rehabilitation work, said gifts and donations to be deposited in the State Treasury, subject to the matching of same with Federal Funds to a limited amount; and declaring an emergency.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. That Senate Bill No. 86, Acts of the First Called Session of the Forty-first Legislature be amended by the addition of a section to be known as Section 2-a.

"Section 2-a. The Vocational Rehabilitation Division, through the Supervisor of Rehabilitation, is authorized to receive gifts and donations for rehabilitation work, said gifts and donations to be deposited by the Supervisor of Rehabilitation in the State Treasury, subject to the matching of same with Federal Funds up to such amount as the Federal Government may allocate per biennium to the State for said work, and which has not already been met with state appropriations for said biennium.

Section 2-b. Provided no person shall ever receive any commission in whole or in part for solicitation of any funds as provided in this Act."

SEC. 2. The fact that donations and gifts are already being made, and the State Treasurer has no authority to receive and disburse for such work, creates an emergency and an imperative public necessity that the Constitutional Rule requiring all bills to be read on three several days in each House be, and the same is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.